

**426B.3 Per capita funding — repayment of Medicaid offset amount.**

1. For the fiscal years beginning July 1, 2013, July 1, 2014, and July 1, 2015, the state and county funding for the mental health and disability services administered or paid for by counties shall be provided based on a statewide per capita expenditure target amount computed in accordance with [this section](#) and [section 331.424A](#).

2. The statewide per capita expenditure target amount shall consist of the sum of the following:

a. A county base property tax equivalent to forty-seven dollars and twenty-eight cents per capita. Each per capita growth amount established by statute as provided in paragraph “b”, shall be added to this amount.

b. A per capita growth amount, which may be stated as a percentage of the prior fiscal year’s county base property tax per capita amount, as established by statute.

3. The per capita growth amount established by statute shall provide funding for increases in non-Medicaid expenditures from county services funds due to service costs, additional service populations, additional core service domains, and numbers of persons receiving services.

4. a. For the fiscal years beginning July 1, 2013, July 1, 2014, and July 1, 2015, a county with a county population expenditure target amount that exceeds the amount of the county’s base year expenditures for mental health and disabilities services shall receive an equalization payment for the difference.

b. The equalization payments determined in accordance with [this subsection](#) shall be made by the department of human services for each fiscal year as provided in appropriations made from the property tax relief fund for this purpose. If the county is part of a region that has been approved by the department in accordance with [section 331.389](#), to commence partial or full operations, the county’s equalization payment shall be remitted to the region or the county, as appropriate, for expenditure as approved by the region’s governing board or in accordance with the county’s service management plan, as appropriate. The payment for a county that has been approved by the department to operate as an individual county region shall be remitted to the county for expenditure as approved by the county board of supervisors. For the fiscal year beginning July 1, 2013, and succeeding fiscal years, the payment shall be remitted only for those counties approved to operate as an individual county region or to be part of a region. Remittance of the payment for a county without such approval shall be deferred until such approval is granted.

5. a. For the purposes of [this subsection](#), unless the context otherwise requires:

(1) “Base year” means the fiscal year prior to the fiscal year for which a Medicaid offset amount is calculated.

(2) “Base year amount” means the actual amount expended from a county’s services fund during the base year for the services and supports contained in the code set for the class of persons eligible for the Iowa health and wellness plan under [chapter 249N](#).

(3) “Calculation year” means the fiscal year for which a Medicaid offset amount is calculated.

(4) “Calculation year amount” means the actual amount expended from a county’s services fund during the calculation year for the services and supports contained in the code set for the class of persons eligible for the Iowa health and wellness plan under [chapter 249N](#).

(5) “Code set” means the set of current procedural terminology (CPT) medical code set codes and the international classification of diseases, ninth revision (ICD-9) codes identified in accordance with [this subsection](#) for calculation of Medicaid offset amounts.

(6) “Services fund” means a county’s mental health and disabilities services fund created in accordance with [section 331.424A](#).

b. The department and representatives of mental health and disability services region regional administrators shall identify and agree to a code set for the services and supports provided under regional service management plans for the class of persons eligible for the Iowa health and wellness plan. The initial code set shall be identified and agreed to on or before June 30, 2014. The code set may be modified from time to time by agreement of the department and representatives of mental health and disability services region regional administrators.

c. Commencing with the fiscal year beginning July 1, 2013, and continuing in any succeeding fiscal year in which appropriations are enacted for distribution of equalization payments in the succeeding fiscal year in accordance with [subsection 4](#), Medicaid offset amounts shall be calculated for the counties in accordance with [this subsection](#). The calculation of county Medicaid offset amounts for a fiscal year shall be made and communicated to the counties by the department on or before October 15 following the calculation year. If rules are deemed to be necessary to provide further detail concerning calculation and administration of the Medicaid offset amounts, the rules shall be adopted by the mental health and disability services commission in consultation with the department and representatives of mental health and disability services region regional administrators.

d. (1) A county's Medicaid offset amount for a fiscal year shall be equal to eighty percent of the excess of the county's base year amount over the county's calculation year amount.

(2) In lieu of subparagraph (1), for the fiscal year beginning July 1, 2013, a county's Medicaid offset amount shall be calculated by identifying the excess in the actual amount expended from a county's services fund for the services and supports contained in the code set for the class of persons eligible for the Iowa health and wellness plan during the period beginning July 1, 2013, and ending December 31, 2013, over such actual amount expended for the same services and supports for such persons during the period beginning January 1, 2014, and ending June 30, 2014, and doubling the excess identified. A county's Medicaid offset amount for the fiscal year beginning July 1, 2013, shall be equal to eighty percent of the result.

e. A county shall address the county's Medicaid offset amount for a fiscal year in the fiscal year following the calculation year as follows:

(1) If the county receives an equalization payment in the fiscal year following the calculation year, the county shall repay the Medicaid offset amount to the state from that equalization payment. A county's repayment pursuant to this subparagraph shall be remitted on or before January 1 of the fiscal year in which the equalization payment is received and the repayment shall be credited to the property tax relief fund. Moneys credited to the property tax relief fund in accordance with this subparagraph are subject to appropriation by the general assembly to support mental health and disability services administered by the regional system. The department of human services' annual budget shall include recommendations for reinvestment of the amounts credited to the fund to address core and additional core services administered by the regional system.

(2) If the county does not receive an equalization payment in the fiscal year following the calculation year or the equalization payment is less than the Medicaid offset amount, the county shall, for the subsequent fiscal year, reduce the dollar amount certified for the county's services fund levy by the amount of the insufficiency. The initial year for such a reduction to be applied shall be the fiscal year beginning July 1, 2015.

95 Acts, ch 206, §19; 97 Acts, ch 198, §6; 98 Acts, ch 1100, §60; 2012 Acts, ch 1019, §133; 2012 Acts, ch 1120, §137, 139, 140; 2013 Acts, ch 138, §180, 187; 2013 Acts, ch 140, §177, 186; 2014 Acts, ch 1140, §80 – 82, 85

Referred to in [§426B.1](#), [§426B.2](#)

2012 amendment to this section takes effect July 1, 2013, and is applicable commencing with the budget and tax levy certification process for the fiscal year beginning July 1, 2013; 2012 Acts, ch 1120, §139, 140

Subsections 1 and 4 amended

Subsection 5 stricken and rewritten